

-----Original Message-----

From: Genette Simpkins [mailto:genettes@me.com]

Sent: Monday, September 27, 2021 9:45 AM

To: info@honoluludpp.org

Cc: Takara, Gloria C

Subject: Short Term Rental Bill - Hearing for 9/29/2021

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My name is Genette Simpkins and I use to rent short term but do not anymore. I would like to submit testimony for this upcoming bill.

I had a rental close to the beach that was a whole house rental with 4 bedrooms, 4 bath and an ohana house in the back that had a 2 bedroom / 1 bath on the same property. Since I built this house, I did everything above board and paid my excise and TAT taxes yearly which contributed between \$70k - \$100k in tax revenue to the State each year.

I had hoped that the State would create and provide a legal pathway for larger properties to accommodate not only families traveling together or extended families visiting local families on island nearby in the neighborhood and stay (out of a "touristy" resort destination such as the hotels), but that never happened. In other areas around the world (which I travel often), they adopted annual permit fees whereas they created more revenue for that destination with not only transient taxes but annual permit fees allowing visitors a choice of accommodations to suit their needs, not just staying in a small condo or a hotel situation which isn't comfortable especially when visiting extended family as the resorts are often inconvenient and far away from where they need to be.

Hawaii is a hard place to live and many of our families have had to leave to the mainland to live. I built these homes so my large family can have a place to stay on special occasions when they come to visit as my home was too small to accommodate everyone. They don't want to have to stay in Waikiki where they hate the traffic and the tourists vibe. They want to be close to their family.

I never understood why the State chose to "shoot themselves in the foot" in cutting off a steady stream of taxes they were receiving from me that I was paying regularly. I was also employing people who I know for a fact have been collecting unemployment and are now on State assistance costing the State even more money. I have since sold the homes to mainland investors who will do who knows what with it. Such a shame!

For all the people that rely on renting out a room or their home for short term rental to make ends meet, this will not only flood the home market for international investors (not local homeowners as Hawaii is just too expensive and the cost of living is too high), the State will continue to limit tourism to hotels and resort areas and will greatly impact our greatest economy that we depend on and will take no consideration on how it affects local families in that so many of them have already moved away and how it affects them when they come back to visit.

It's already limiting that a lottery is only being proposed for smaller 2-bedroom units and extending the time frame to a 180-days from 30-days is going to have an impact that is detrimental to locals that far exceeds "preservation of neighborhoods" and clearly seems to be driven by the power of the hotel union and politics more than anything. Nothing else makes sense why the State turns down common sense tax revenue coming in and a "middle ground" that appeases everyone, tourists, locals, neighborhoods as well as the hotels.

Furthermore, I am a believer that the hotels should be given a consideration on their TAT as I do believe they are paying too much and the State has done nothing for them in discouraging tourists and damaging our main economy.

Please do not pass this bill!

Genette Simpkins

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**From:** lambo5oh <lambo5oh@gmail.com>  
**Sent:** Monday, September 27, 2021 7:42 AM  
**To:** info@honoluludpp.org  
**Subject:** Vote NO on STR Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Gentleman: As an investment condo owner, I am against the proposed changes contained in the Draft STR bill being considered by your committee. This is clearly an attempt by the hotel industry to deprive residents of a livelihood and much needed income.

In my case, I pay the required GET and TAT taxes, and have been for years.

The 180 requirement would put me out of business.

Please vote no to this proposal.

James Lambert  
808-778-4756

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**From:** Mike Lawnsby <lawnsby@gmail.com>  
**Sent:** Monday, September 27, 2021 7:43 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

I am a host and I urge you to oppose the revised STR bill.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Please do not move forward with this revised draft.

Further to these truths, I have hosted for years and have delighted many people and shared the love of the islands and the Aloha on a personal note to each guest that comes to stay with us. This not only supports our economy but also supports us local residents to sustain our living costs in hawaii. By allowing proper hosting to those people that actually do a good job, take care of our guests, and pay our taxes this brings in a huge amount of revenue for the state as well. Fair hosting standards should be created so all of us can share a bit of aloha. It should not only be hotels and big conglomerates that should be the only ones to be able to provide housing to our island visitors !

Mahalo,  
Mike Lawnsby



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**From:** Brett Hulme <Brett.Hulme@pigottnet.com>  
**Sent:** Monday, September 27, 2021 4:39 AM  
**To:** info@honoluludpp.org  
**Cc:** Brett Hulme  
**Subject:** Vote NO on STR Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu Planning Commission,

I implore the Planning Commission to Vote NO on the proposed STR bill!

I am writing in favor of fair and reasonable regulations for the vacation rental industry. While I fully support the DPP's goals to 1) reduce impacts on residential neighborhoods; and 2) regulate STRs [short-term rentals], the proposed bill is extremely detrimental to the community and problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the Planning Commission to reject the proposed bill in its entirety.
- The DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a length public process.
- The DPP should engage ALL stakeholders – not just the corporate hotels – in developing fair and sensible regulations.
- The proposed bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods.
- Those who have chosen to operate short-term rentals have done so in a good-faith effort to comply with existing laws and related tax payments to the city, county and/or state of Hawaii.
- Owners of the short-term rentals provide employment and financial opportunities for local Property Management companies, cleaning, maintenance, and repair staff, and related services like laundry services, etc.
- In order to come up with effective and fair solutions for our entire community, we ask DPP to establish a working group comprised of key stakeholders on rule-making recommendations and sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Vote NO and please reject the proposed bill in its entirety and continue the administrative rule-making process to implement Ordinance 19-18 and allow ALL local stakeholders a voice in the decision-making process.

Mahalo,

Brett

Brett Hulme

Waikiki Banyan

201 Ohua Avenue

Mauka Tower 2, 1602

Honolulu, HI 96185

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**From:** Libby Tomar <tomarlaw@gmail.com>  
**Sent:** Monday, September 27, 2021 7:42 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

I have been host in our leasehold condohotel for over five years. I urge you to oppose the revised STR bill. I wouldn't want a hotel management company to be in charge of my unit. We tried that and the hotel guests often damaged our unit and stole items. The maids didn't care. With airbnb, we know who is renting our unit. If there is a problem or question we can go back to the guest, or Airbnb if we can't solve it Furthermore, we have insurance for our hotel guests and Airbnb also has insurance. We pay hotel resort property tax rates and we pay GET and TAT. To have a hotel management company and an additional \$5,000 a year payment would be crippling to us. We only have 10 years left on our leasehold unit and need these last years to be free of additional costs.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Please do not move forward with this revised draft.

Mahalo,  
Libby Tomar

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**From:** Graham Price <fotobabyinfo@gmail.com>  
**Sent:** Monday, September 27, 2021 7:44 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

Hawaii has been Tourist dependent for many many years, increasing rapidly since the end of World War II, and after the decline of its Agricultural output, although this and other industries are on the rise, Tourism remains Hawaii's largest industry and it should be nurtured with careful hands so as much money can come into the Hawaiian islands local economy as possible.

People who can come here for extended stays are looking for the cheapest options in order for them to be able to afford it. \$3,4 and \$500-plus dollars a night hotels are definitely not an option. And if this is their only option, they will not come. A locally owned condo with rates as low as \$70-\$100 a night makes this the only option for them. Whilst here, they obviously spend their money locally on food and the variety of entertainment available to them. That's good money all going into Hawaii's economy. Needless to say the money the condo owner earns from this, is also good tax dollars into Hawaii's economy. All this is lost if the affordable option of renting condos are taken away and they don't come here. What is the point of making it so people go elsewhere, that's decidedly NOT GOOD BUSINESS.

Because of the Covid restrictions that are still in place, many Asian visitors are presently not able to come. This will remain the case even after the restrictions are lifted for a few years yet, until we see the sort of Asian visitor numbers we were used to, pre-Covid.

Therefore it is essential that the local economy be boosted as much as possible by USA mainland visitors. These people have also been affected by the loss of income during Covid and affordable accommodation is exactly what they are looking for. Taking these options away is just madness.

It's all very well for Hotel lobbyists to scream about their loss of income and try to help ban local business owners from renting out their condos, but for local condo business owners who abide by the law renting their places, this can be their only income and we should strive to take care of local people who use their properties as a business and are an essential part of the economy.

Banning the use of short and extended stays in condos only puts the owner on the increasing list of the unemployed. That's money OUT not IN.

What else do you need to know?

COVID-19 has hit everyone very hard and the financial hit to people renting their condos for mainly tourism purposes has been extreme, some of us who have lost jobs or business, these rentals have been our only income for the last 18 months and now you want to hit us while we are down. With the delta variant hitting hard, we enter yet another period of stiffer restrictions and tourism is yet again negatively affected. How did the delta variant get into the islands? It got in because Hawaiian government decided to relax the testing rule on entry. What come back do we have on the mismanagement of the situation- none. We just pay for it.

Mahalo,  
Graham Price



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**From:** Jeffrey Benvenuti <ibcali2001@yahoo.com>  
**Sent:** Monday, September 27, 2021 7:42 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

Due to the overwhelming responses received in opposition to amending bill 89 I would seriously urge the DPP to enforce the current bill 89 as written before making any changes to the current bill. The City and County of Honolulu has given incentives for remote workers to come and stay for less than 180 days. Where are these people suppose to stay? Only in hotels? The city commissioner was asked if complaints had been monitored since the reopening to travelers and he responded "We haven't been monitoring complaints since the reopening after COVID." I ask why if the DPP is going to draft and implement changes to the bill? What credible evidence is the change based off of? Why is all the burden being put on TVU owner's and not the hotels and rental car companies in order to limit the amount of tourists as the commissioner said was the ultimate goal for the amendment to bill 89? Don't you think the hotels and rental car companies play a role in this as well? It is clear the draft to bill 89 is in the best interest of the hotels and the City and County of Honolulu who are lobbying for them. It's the reason you can search Marriott's website for properties just like on Airbnb and VRBO where they have purchased prime ocean front real estate to compete with Airbnb and VRBO. Is this not ruining the fabric of our neighborhoods here on Oahu? They know the market has changed and that most short term to medium term vacationers/temporary workers don't want to stay in a hotel for less than 180 days. I urge the commission to enforce the current bill 89 in its entirety. The 30 day minimum is fair for everyone. I would urge the commission to work with the vacation rental platforms in making the current bill 89 enforceable. Just like the LUO which was negotiated and drafted to require owner's to provide their tax map key and TAT license on their online listing. This should make it very simple to enforce, but the City and County of Honolulu has failed to enforce it. Furthermore, you could require a permit and associated fee yearly within reason to permit TVU's to operate creating increased revenue for the City and County of Honolulu in addition to the already collected GET and TAT taxes.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Thank you for your careful consideration to the draft of bill 89 and it's associated consequences to all. Please do not move forward with this revised draft.

Mahalo,  
Jeffrey Benvenuti

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**From:** Jeffrey Benvenuti <ibcali2001@yahoo.com>  
**Sent:** Monday, September 27, 2021 7:42 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

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Mahalo,  
Jeffrey Benvenuti



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**From:** Dawn Yoshimura <ilikai.1820.rental@gmail.com>  
**Sent:** Monday, September 27, 2021 7:43 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

We are owners of a unit we rely on the income generated through renting to visitors who want to stay in Oahu for extended times 30-90 days.

We urge you to oppose the revised STR bill.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We contribute to the neighborhood quality of life, and take measures to be responsible hosts. Our guests support local businesses in the community that ensure the broader community also benefits.

Honolulu has spent the last four years debating short-term rental policy. There was an agreement signed by Mayor Caldwell, the Planning Committee, AirBNB and Expedia that would have helped with enforcement of those who cheat. We welcome this! I have always said that hiring just 1 new C&C employee to surf would more than pay for itself and get the word out to those who do not pay their taxes, like we have done for years and create fair pricing of short term rentals. I get asked why a similar unit is so much cheaper and I always ask them if their host is accounting for the 15% plus income tax on the gross we collect and real estate taxes based on it not being a primary residence, plus, if in Waikiki, the special assessment tax. Do you see a pattern here? There are already ALOT of taxes--that if it was just COLLECTED would bring more money where it is needed.

We depend on this rental income as retirees to continue to live in the place of my birth. It is not practical to expect us to go back to work to afford to live here after having worked and saved for so many years. So you are not punishing who you think you are.

Lastly, we want to tell you about the type of guests we have--they are not the 'good' tourist that the recent HPBS town hall described. Our guests are foreign tourists who have 4weeks or longer for vacation and are very interested in being embedded in the local culture. They are kama'aina coming home to visit with family or care for family over an extended time. They are American remote workers who have jobs where they can work remotely and choose Hawai'i as the place they want to live and work--so this means they are all customers at our Longs in Makaha, City Mill, Tamuras, Wendys, Pizza Hut, Starbucks, etc. They rent and buy equipment from Hale Nalu and tours in Poka'i Bay. They drive down the road to Ko Olina and Kapolei and do their shopping and fine dining. They go to the local farmers markets. When they leave, local housekeepers and groundskeepers keep the grounds and units clean and inviting. The recent town hall was very misleading to the public--they kept saying 'illegal vacation rentals' as if those of us following the law are part of this and thus we need new legislation. A'ole! By all means go after and enforce your laws and collect the taxes, fine the offenders, but if you go forward with this proposal, you are going to impact many local owners and supporting businesses and jobs.

The hotel and resort districts named: Waikiki, Ko Olina and Makaha Valley is also misleading in its contribution to our communities. They are largely owned by non local businesses and the profits do not go to local businesses. The management jobs are staffed by rotating international staff, not locals. Thinking that we

only want tourists who will pay \$500/day, eat all their meals in the hotel or within the resort area, pay for cultural entertainment booked at their hotel activities desk is a grossly oversimplified and outdated understanding of the market. Tourists of all ages now want to see and interact more with their surroundings and culture--that is why the recent survey indicated that they were willing to pay more for cultural experiences or to support local projects like a fishpond or lo'i.

Don't overestimate the power and value of the aloha brand. In today's global setting, tourists have more choices to go to a mild tropical climate, especially those who would book themselves into a Hilton, Four Seasons or Disney resort. They can go to Abu Dabi or Bangkok and get more for their money and get treated like royalty. They don't have to worry about running into hostile locals while paying \$500/day and maybe more for cultural experiences about how friendly and superior the aloha spirit and Hawaiian culture is.

Please do not move forward with this revised draft.

Mahalo,  
Dawn Yoshimura

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**From:** Kathleen Ochsenbein <drjjsp@gmail.com>  
**Sent:** Monday, September 27, 2021 7:47 AM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

Please oppose the revised STR bill.

There are so many times when I have hosted groups for 30 days, but a six month stay would not have worked. I have two quick examples. The contractors that worked on installing new lighting on the military towers in Nanakuli did not need accommodations for 6 months, they needed 5 weeks. They had to be up early every morning and would not have appreciated driving from town. They also wanted to be able to cook their own meals and not eat out every meal. Also, I hosted some of the crew of Deadliest Catch. They wanted to be close to the Waianae Boat Harbor. They did not want to drive from Waikiki. There are many other instances ranging from traveling nurses, to ohana returning to spend extended time with their family members who are ill.

Also, I would like to ask you to look at condo buildings a bit differently. They are their own communities and they have the ability to provide off-street parking, security, etc. If the majority of the owners want STRs, why should the government decide that they know what is best for that community?

Finally, I live in a neighborhood where there are several STRs. I never hear or see any problems with them. They are gone most of the day and return tired and ready to go to bed in the evening I love my fulltime local neighbors, but if there are problems with parking or parties or noise, it would be from them. Please look at all the locals you will hurt from this bill. Keep the money on island and not in the hands of some corporation on the mainland.

Mahalo,  
Kathleen Ochsenbein



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**From:** mschreiber718@gmail.com  
**Sent:** Monday, September 27, 2021 8:31 AM  
**To:** info@honoluludpp.org  
**Cc:** Mo Schreiber  
**Subject:** Vote NO on STR Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu Planning Commission,

I implore the Planning Commission to Vote NO on the proposed STR bill.

While I fully support the DPP's goals to 1) reduce impacts on residential neighborhoods; and 2) regulate STRs [short-term rentals], the proposed bill is extremely detrimental to the community and problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the Planning Commission to reject the proposed bill in its entirety.
- The DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a length public process.
- The DPP should engage ALL stakeholders – not just the corporate hotels – in developing fair and sensible regulations.
- The proposed bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods.
- Those who have chosen to operate short-term rentals have done so in a good-faith effort to comply with existing laws and related tax payments to the city, county and/or state of Hawaii.
- Owners of the short-term rentals provide employment and financial opportunities for local Property Management companies, cleaning, maintenance, and repair staff, and related services like laundry services, etc.
- In order to come up with effective and fair solutions for our entire community, we ask DPP to establish a working group comprised of key stakeholders on rule-making recommendations and sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Vote NO and please reject the proposed bill in its entirety and continue the administrative rule-making process to implement Ordinance 19-18 and allow ALL local stakeholders a voice in the decision-making process.

Mahalo,

Mo

Maurice "Mo" Schreiber

Waikiki Banyan

201 Ohua Avenue

Makai Tower 1, 1703

Honolulu, HI 96185

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**From:** Joanne Q <snow2136@gmail.com>  
**Sent:** Monday, September 27, 2021 9:05 AM  
**To:** info@honoluludpp.org  
**Subject:** Response to DPP Public Hearings Regarding Short-Term Rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chairman Lee and Honorable Commissioners:

The Hawaiian tourism industry is a big part of the economy. According to the Hawaii Tourism Authority, tourism is the largest single source of private capital for Hawaii's economy. In 2019, Hawaii's tourism economy has recorded visitor spending at \$17.75 Billion dollars. O'ahu alone took in \$22.4 million dollars per day. If the Department of Planning and Permitting (DPP) proposed amendments to Chapters 8 and 21 relating to transient vacation units (TVU), bed and breakfasts (B&B) homes and hotels pass, this will greatly affect the economy negatively as well as thousands of jobs and people in general from residents to tourists. Even Oahu residents solely depend on short-term rental condos to financially support themselves. This was emphasized through public testimony at two recent DPP public hearings. After listening to hours of testimony, most of the people at the hearings were against the proposed amendments.

The DPP wants to force condominium hotel units into the same tax bracket as a Hotel & Resort tax category. How can that be? Condominiums are not equal to hotels or resorts in so many ways. Condominiums are basically homes with full kitchens including full refrigerators, stoves and a kitchen sink. Hotels just consist of units with a mini-fridge sometimes with a bed and bathroom but with all the other amenities and services. Condominium short-term rentals (aka condo-hotels) do not have the extra income hotels are able to generate from hotel restaurants and bars, hotel spas, entertainment, gift shops, convention centers, ballrooms etc. Again hotels have the extra sources of income to cover the higher tax bracket, condo owners do not. Condo-hotel owners should have a separate more reasonable tax bracket close to a B&B tax bracket that has similar home settings and nothing else to offer like hotels do.

The DPP wants to force an entire condominium building to be entirely short-term rentals, against the will of those who want to be solely homeowners or long-



term rental units in the building, to look more like a hotel. Therefore, to charge condo short-term rentals at the higher Hotel & Resort tax rate who look like they are in a hotel setting but are truly not. If the entire condo building does not become short-term rentals (STR), then no one can operate STR's. This denies the freedom of many entrepreneurs and a taking of one's property. Possibly forcing many condo owners to sell their units at a major financial loss and it would give less STR choices to tourists and locals.

The DPP also does not want to allow a person or legal entity the ability to own more than one short-term rental unit. Thus, denying our right to own land and our Constitutional pursuit of happiness through entrepreneurial means. Again, it could possibly force many owners to sell their condos at a loss given the high taxes and HOA fees.

The Oahu DPP wants to charge those who could have short-term rental status an outrageous \$5000 initial application fee and \$2500 renewal fees annually. That is crazy when Kauai DPP does not charge short-term rentals at all in their Visitor Destination Area with only a \$750 renewal fees for those outside the VDA. Maui DPP application fee is much less at \$857 than Oahu DPP proposes. Maui even has a sliding scale for additional approved years from \$250 to \$500 with renewal application fees for \$700. Such disparity!

The DPP claims they want these high application fees and renewal fees along with the General Excise taxes and Transient Accommodation taxes to help fund an enforcement arm for short-term rentals. We absolutely do not agree to the proposed high application fees, high renewal fees and proposed high "hotel" tax category but the DPP wants to collect all this money to fund an enforcement arm that they have no plans in how to form or know how to execute the enforcement upon short-term rentals when they don't have any rules in place to enforce. The DPP's primary proposals for short-term rentals are to only have short-term rentals in certain areas and make sure they are paying all their high fees and taxes with proper registration. Many short-term rental condo-owners have been compliant for many years paying their GE and TA taxes as the State of Hawaii gladly received the taxes allowing short-term rentals to operate in quiet agreement to their existence for many years as-is. We were never contacted by the local government or DPP that we were operating our short-term rental in violation. Never were we asked if we

had a non-conforming use certificate as they collected GE and TA taxes for many years.

The DPP should allow compliant short-term rental condo owners, who have been paying their fees and taxes for years and can provide at least 5 years of tax returns for documented proof, to immediately resume STR operation with or without a non-conforming certificate. Allow STR condo owners to own more than one unit to operate responsibly. Allow condo owners to transfer the STR capability to new owners at time of purchase with proper registration. Restrict or deny those who have no proof of compliance for many years and make them file an application for registration at a reasonable cost like Kauai or Maui DPP does. Other compliant STR's in the Oahu "Apartment Precinct" or resort zones should register with no fee like Kauai's VDA. This ordinance is ultimately supposed to be for compliance enforcement and not punishment to benefit the hotels.

DPP should allow short-term rentals under the expanded proposed resort areas but restrict any new short-term rentals in the residential areas. If those under the resort or residential areas are not compliant then possibly fine the owners on a sliding scale from not paying fees to noise complaints. If the owners accumulate so many fines, then revoke their short-term rentals with a chance to make amends. This is similar to business license restrictions to operate with possible punishment if the business is not compliant. This way the DPP enforcement arm would know what to fine or investigate such as noise complaints and then take appropriate action.

All we see is that Oahu DPP wants to charge high application fees and taxes, restrict multiple ownership of STR's mostly by individuals or entities and where they can operate. It seems hotels wait silently to accept the fall out of DPP trying to cap the STR's and drive more tourists and short-term rental seekers towards hotel operators. STR's can peacefully coexist with long term rentals and residents in residential areas. Once the DPP clears the non-paying STR's for not paying GE and TA taxes for years, there could be an increase in long-term rentals but that is no guarantee.

With the pandemic, there has been an increased interest by tourists and locals to stay in short-term rental condominiums with full kitchen homes to keep social distance, ability to cook their own meals for health and safety, and being



economical. Why lessen the choices of short-term rentals for tourists and locals by trying to force short-term rental owners out of the market by putting egregious restrictions? Short-term rentals are a big part of the accommodations in the Oahu tourism industry that attracts residents from around the state of Hawaii and tourists from around the world to stay and visit. Short-term rentals welcome visitors who spend and drive the Oahu economy. DPP proposed egregious restrictions and high taxes will negatively affect STR compliant condo owners and the economy while only benefiting some residents and hotels.

Thank you for your time and attention,  
Joanne Moy  
773-550-2029

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**From:** Genette Simpkins <genettes@me.com>  
**Sent:** Monday, September 27, 2021 9:45 AM  
**To:** info@honoluludpp.org  
**Cc:** Takara, Gloria C  
**Subject:** Short Term Rental Bill - Hearing for 9/29/2021

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

My name is Genette Simpkins and I use to rent short term but do not anymore. I would like to submit testimony for this upcoming bill.

I had a rental close to the beach that was a whole house rental with 4 bedrooms, 4 bath and an ohana house in the back that had a 2 bedroom / 1 bath on the same property. Since I built this house, I did everything above board and paid my excise and TAT taxes yearly which contributed between \$70k - \$100k in tax revenue to the State each year.

I had hoped that the State would create and provide a legal pathway for larger properties to accommodate not only families traveling together or extended families visiting local families on island nearby in the neighborhood and stay (out of a "touristy" resort destination such as the hotels), but that never happened. In other areas around the world (which I travel often), they adopted annual permit fees whereas they created more revenue for that destination with not only transient taxes but annual permit fees allowing visitors a choice of accommodations to suit their needs, not just staying in a small condo or a hotel situation which isn't comfortable especially when visiting extended family as the resorts are often inconvenient and far away from where they need to be.

Hawaii is a hard place to live and many of our families have had to leave to the mainland to live. I built these homes so my large family can have a place to stay on special occasions when they come to visit as my home was too small to accommodate everyone. They don't want to have to stay in Waikiki where they hate the traffic and the tourists vibe. They want to be close to their family.

I never understood why the State chose to "shoot themselves in the foot" in cutting off a steady stream of taxes they were receiving from me that I was paying regularly. I was also employing people who I know for a fact have been collecting unemployment and are now on State assistance costing the State even more money. I have since sold the homes to mainland investors who will do who knows what with it. Such a shame!

For all the people that rely on renting out a room or their home for short term rental to make ends meet, this will not only flood the home market for international investors (not local homeowners as Hawaii is just too expensive and the cost of living is too high), the State will continue to limit tourism to hotels and resort areas and will greatly impact are greatest economy that we depend on and will take no consideration on how it affects local families in that so many of them have already moved away and how it affects them when they come back to visit.

It's already limiting that a lottery is only being proposed for smaller 2-bedroom units and extending the time frame to a 180-days from 30-days is going to have an impact that is detrimental to locals that far exceeds "preservation of neighborhoods" and clearly seems to be driven by the power of the hotel union and politics more than anything. Nothing else makes sense why the State turns down common sense tax revenue coming in and a "middle ground" that appeases everyone, tourists, locals, neighborhoods as well as the hotels.

Furthermore, I am a believer that the hotels should be given a consideration on their TAT as I do believe they are paying too much and the State has done nothing for them in discouraging tourists and damaging our main economy.

Please do not pass this bill!

Genette Simpkins

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**From:** Farrah Larson <northshore198@gmail.com>  
**Sent:** Monday, September 27, 2021 10:58 AM  
**To:** info@honoluludpp.org; gtakara@honolulu.gov  
**Subject:** NUC Certificate holder in regards to the new bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To whom it may concern:

I'm writing to oppose the new bill. I specifically oppose the phasing out of the existing NUC certificates, the raise in property taxes/fees and the restrictions for one person owning the home. In good faith and in wanting to abide by the law, we purchased a condo with a legal NUC certificate at Kuilima West Estates in Kahuku.

People who own NUC certificates have in good faith been paying their GE and TAT taxes and have been abiding by all the required laws. We should be allowed to continue to operate as we have always done. The purchase of our property was carefully thought out, taking into consideration property taxes, advertising and maintenance. The NUC holders should be exempt from the new taxes as we are not new STRs, we are existing and should be grandfathered in for our existing taxes. We shouldn't be punished for abiding by the law.

In addition, the change from not allowing family trusts should be taken out of the bill for NUC holders. This causes undue hardship. We are a married couple and what if one of us dies? Then the other spouse does not have a right to continue with the NUC certificate? As well as you are financially crippling us by not allowing our family trust and requiring us to record our deed in an individual name, which would require us to go through probate when we pass away which would have large costs and a negative impact to our family. Our family trust allows for a smooth transition for our property to our children. If you are trying to combat large companies from owning multiple units, you should allow a family to show the trust documents to prove that we only own one unit and that the trust is in place for estate planning purposes and for no other reason.

Finally, the NUC should run with the land. We waited patiently for an NUC certificate condo to become available and we paid a premium for our unit, as we wanted to make sure we were abiding by all the Hawaii laws. We should be rewarded for following all the rules and being compliant. The NUC should go with the condo, as there are only about 800 left on the island.

Please do not punish the compliant, upstanding citizens who abide by the law. Please exempt the NUC certificate holders from these detrimental rules in the new bill and grandfather our existing property taxes, rules, timelines and fees. Thank you for your consideration.

Kind regards,

Jay and Farrah Larson



**From:** Ron Shay <[ronshay@telus.net](mailto:ronshay@telus.net)>  
**Sent:** Monday, September 27, 2021 12:36 PM  
**To:** [info@honoluludpp.org](mailto:info@honoluludpp.org)  
**Subject:** Vote NO on STR Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Planning Commission Members,

I own a condo in Waikiki and have been a frequent visitor to Hawaii for more than 40 years. I bought the unit primarily for family use, but do use a local agent to rent it a couple of times per year when it is not in use by my family members. When the unit is rented, it is always in full compliance with the current 30 day rule and all applicable taxes are paid. **I believe the current 30-day rule is sufficiently restrictive to ensure that condo rentals do not take away business from local hotels.** The clients that my rental agent usually rents to are medical specialists, military personnel, and retired seniors. These individuals would not stay in hotels, and if the rental period was extended to 180 days, they probably would not come to Hawaii at all.

**As a result, I object to the proposal of extending the period beyond the current 30 period and ask that you:**

- Reject the proposed bill in its entirety
- Withdraw the bill
- Continue its administrative rule-making process to implement Ordinance 19-18
- Establish a working group comprised of key stakeholders on rule-making recommendations

Sincerely,

Ron Shay  
Owner, #2101 - 2140 Kuhio Ave  
Waikiki HI 96815



To: **Chair Brian L. Lee**  
Members of Planning Commission

**September 27, 2021**

**Re: Department of Planning and Permitting Draft Bill 89- re: Short Term Rentals**

**Dear Mr. Lee:**

This letter responds to DPP draft Bill 89 Amendments presented to the Planning Commission at the **September 8, 2021 public hearing** regarding **short term rentals (STR)**. As Association members and unit owners of the Waikiki Sunset, we fully support DPP's goal to: (a) reduce impacts on residential neighborhoods; and (b) regulate STRs that are permitted only in or adjacent to existing **resort areas**. However, we believe that the proposed regulation is **unduly discriminatory**, contains economic inequities, and ignores **ownership property rights** of condominium unit owners.

We appreciate the fact that the proposal recognizes the existence of condominium hotels such as Waikiki Banyan and Waikiki Sunset and that such projects do **not negatively impact residential communities** in a similar manner as STRs operated in single family home neighborhoods; however, we have many serious concerns with the amended Bill 89 proposal and DPP director Q&A provided at public hearing.

**LUO Reclassification:**

Revoke or delete Section 21-5.360 Hotels and Hotel Units and Sec 21-5.360.1 Condominium hotels since they violate condominium ownership rights under *Hawaii Constitutions and U.S. Constitution's Fifth Amendment*.

As Association members, we would like to see Land Use Ordinance (LUO) **classification** which allows **Waikiki Sunset condo owners** to voluntarily choose the "**highest and best use**" (DPP rule) of their "condominium unit" property. This underlying zone change, if any, should be consistent with unit owners constitutional right to "use" their unit as they so wish, which **falls into three categories**:

- a) **Residential use**- currently paying real property tax of 0.35% of the assessed value, or
- b) **Vacation Home** up to 6 months plus STR use- with proposed property tax rate of 1.05% which is compliant with "Rental of Vacation Homes", as per federal IRS Publication 527 law; or
- c) **Hotel-Resort use**- with STR paying a property tax rate of 1.39% of assessed value; which is compliant with Section 8-7.1 (c)(3)- Declaration regarding condominium use classification.

We strongly object to changing ownership from "Condominium units" to "Hotel units" with the consequential loss of control, management and benefits of **condominium ownership rights**.

**Ownership rights:** The amended Bill 89 proposal will take away the following "ownership rights":

- 1. Owners have the right to utilize their property in a manner that suits them best- primary residence, short term rental (STR), long term rental (LTR) or leave temporarily vacant.
- 2. Owners can use the unit as their "vacation home" and family members, up to six months, rent free.
- 3. Owners have the right to sell their unit and take advantage of "tax-free exchange of rental property" when the "vacation home" is used for personal purposes, per Sec. 1031 exchange of IRS Pub. 527.
- 4. Owners can choose to place their unit in the Aqua-Aston rental pool, subject to terms and conditions stipulated by the hotel management and "negotiated" by rental advisory committee (RAC).
- 5. Owners have the right to hire a property manager of their choosing, such as Captain Cook, Alohana Realty, Hawaii Dream Realty or any other agency, at competitive management fees.
- 6. Owners have the right to renovate their unit as they wish, and as frequently as they choose.
- 7. Owners have the right to transfer their property to their heirs and to their beneficiaries.
- 8. Owners have the right to purchase as many STR units as they wish, subject to appropriate taxation.

**Allegation that condo owners without NUC have violated LUO Sect. 21-4.110-1 is erroneous because:**



1. Waikiki Sunset has operated successfully as a condominium-hotel from 1979 to 2019 without creating any negative impact on public health, safety, morals or general welfare. The record shows Aston resort management has managed up to 373 out of 435 units (= 86% occupancy rate) without encountering any negative environment assessment impact, traffic congestion, noise concerns, illegal parking, neighbors' complaints or receiving DPP violation notices.
2. Association members purchased their units when **they were already in the Aston-resort rental pool**; therefore, owners expected that the units were operated legally by Aston-Resort rental management. If the units did not have a NUC, then Aston management had a legal obligation to provide full disclosure to the new buyer before allowing them into the "hotel rental pool". It is very likely that Aston managers believed that they were operating legally. Aston managers provided buyers with "**rental income estimates**" based on units being in hotel rental pool.
3. When new condominium owners and Aston management applied for a non-conforming use certificate (NUC), **DPP denied their request** because it was made after the arbitrary November 1989 deadline. The DPP denied NUC certificate to **new condo owners** even when Aston provided records and evidence that the unit owners operated as short term rental (STR) or vacation home rental prior to the 1989 zoning change ordinance.
4. Hawaii case law rulings in our favor would be that Waikiki Sunset condominium owners have a constitutional-vested right to continue to operate their condo unit as a "residential" or "short term rentals" or a combination as long as it was reported and taxed accordingly. **The court ruling** stated that the "*The statutory protection of lawfully existing uses and structures "prior to the effective date of a zoning restriction is grounded in constitutional law."*" In addition, the court ruling stated that "*Under the United States and Hawaii Constitutions, pre-existing lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate- (abolish)"*", as per Robert D. Ferris Tr. v. Planning Comm'n of City of Kauai (August 09, 2016). **This means** that our owner rights continue to exist after the passing of **Ordinance 89-154 in November 30, 1989**, and even after passing of the amended **Ordinance 19-18 in June 25, 2019**. See **attached Link**: "[Statutory Protection of Existing Uses](#)".
5. Pursuant to Hawaii case law ruling, "*Each association member is property owner under Hawaii law<sup>[4]</sup> by virtue of its ownership of the condominium and are therefore entitled to constitutional protection*". **Footnotes [4]** reads "***Under the Condominium Property Act, HRS chapter 514A, each apartment, together with the common interest appertaining thereto, shall for all purposes constitute real property and may be individually conveyed, leased, or encumbered and be the subject of ownership, possession, or sale and for all other purposes be treated as if it were sole and entirely independent of the other apartments in the property of which it forms a part, and the corresponding individual titles and interests shall be recordable. HRS § 514A-4 (Supp. 2015). Chapter 514A generally applies to condominiums created before July 1, 2006, which covers the property owned by Waikiki Sunset owner. See HRS § 514A-1.5 (Supp. 2015). This means** that "persons with less than 50% ownership interest may have vested rights to pre-existing lawful nonconforming uses"*, consistent with HRS § 46-4(a). Hawaii State law and Waikiki Sunset governing documents cannot take away the property owner rights, even if Association members were to cast a majority vote. See **attached Link**: "[Statutory Protection of Existing Uses](#)".
6. According to LUO Section 21-2.100 "**Existing uses**", property owners have the legal right to continue the "existing use" of STR while operating under Aston resort rental pool which contained both NUC owners and non-NUC owners since **they are all located on same parcel of land (lot)**. Sect 21-2.100 (b)(2) reads: "*Existing uses and structures shall meet the applicable zoning requirements at the time the uses and structures were approved. They need not meet the current underlying district regulations, nor the minimum development standards of this chapter*".
7. According to Hawaii Easement Law, "Prescriptive easement" gives one party the right to use the property of another for specific purpose like "short term rentals" as long as the use of owner's property has been actual, hostile, adverse, open, uninterrupted and continuous for the statutory **minimum period of 20 years**, therefore, we all qualify since we have used STR under Aston rental program for 30+ years; as per HRS §669-1(b) (2013) and §657-31.5, as per Gold Coast Neighborhood Association v. State of Hawaii, Supreme Court, August 25, 2017.
8. With due respect, we believe that the current LUO Sec. 21-4.110-1- is **unduly discriminatory** because it allows some an **arbitrary** number of units (257=59%) to have STRs but denies the same privilege to the other 178 (41%) owners, in spite of the fact that all 435 units (100%) reside on the **same parcel of land, same underlying zone classification, same annual operating costs** (AOAO maintenance fees) and **same real property tax assessment**. (Note: An annual charge of \$200 NUC fees is insignificant compared to owner's annual property tax).



9. Current LUO Sec. 21-4.110-1- Bill 89 draft contains **economic inequities** among condo unit owners. The record shows that implementation of Bill 89 has created large a differential in real estate evaluation. Over the past two years, **sold prices of Waikiki Sunset units** without NUC is down 40 % (or \$204,000) compared to NUC units; **and** an associated rental income is 2.2 times lower (or circa -\$30,000 per year).
10. Waikiki Sunset condo owners may have legal standing for filing a claim for compensation of losses. *“Under the 2019 U.S. Supreme Court landmark ruling, we would argue that DPP ordinance regarding NUC requirement for our condo unit is in violation of the U.S. Constitution’s Fifth Amendment by overregulating its use. DPP denial of our application for STRs in the same building as other owners is deemed illegal because it prevents us from making maximum use of our property, where owners cannot make reasonable economic use of their own property”*, as per Knick v. Township of Scott, June 21, 2019. See Link: [“Ordinance violated Fifth Amendment”](#).

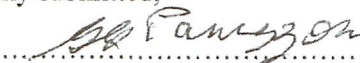
The DPP proposal also gives an **unjustifiable** amount of power and **authority to the hotel operators**. It is inconceivable that owners would have to pay the hotel operator in order to stay in their own units. The proposal treats a **condominium hotel** the same as the **traditional hotel** and its shareholders. This is not a valid comparison both from a legal, marketing and economic perspective. The salient differences between the two are as follows:

- “Condominium unit” is a dwelling or lodging unit that is part of a condominium property regime, where each unit is a separate parcel of real estate”, pursuant to HRS Chapter 514B-4(a).
- Property taxes assessed by the county shall be assessed and collected on the individual units and not on the property as a whole, as per City Ordinance 17-13 (Bill 8) under Sec. 8-7.5.
- Converting “condominium units” into “hotel units” or into “hotel pool” would increase the number of tourists staying as STR guests which is contrary to the stated DPP objective of reducing visitors.
- It gives a monopoly to hotels industry with the power of eliminating its competition- anti-trust law.
- Hotel-resort will control the frequency and cost of condo renovations. For example, Aston management forced Waikiki Sunset condo owners to spend \$38,000 plus \$12,000= \$50,000 over past 8 years.
- It would place condominium owners and Aston hotel managers in conflict of interest since the incentives to increase profit margin would come at the expense of reduced “net rental income” to owners.
- Condominium owners are still responsible to pay for all of the maintenance cost, utility costs and operation of Waikiki Sunset building, in addition to special assessment for common elements costs.
- Converting “condo units” into “hotel units” would simply change ownerships- and it does not reduce “use”.
- If we wanted to invest in the hotel industry, we can purchase shares in the stock market. Examples are: Hyatt Hotels Corporation (H), Marriott International (MAR), Hilton Worldwide Holdings (HLT) and others.

### Our recommended Solutions:

1. Waikiki Sunset and Waikiki Banyan should be added to the list of “legal nonconforming use” buildings where all unit OWNERS are allowed STR use without applying for NUC certificate, consistent with Aloha Surf, Hawaiian Monarch, Island Colony, Palms at Waikiki, Royal Garden at Waikiki and the Ala Moana Hotel Condo.
2. Waikiki Sunset condo owners without NUC’s (178= 41%) should be allowed to submit an application for a “nonconforming use certificate”, provided they submit proof of STR use prior to June 25, 2019, consistent with LUO Section 21-2.100 “Existing uses”, Subs (a) and (b).
3. The proposed underlying zone change, if any, should be consistent with property owners constitutional right to “use” their unit as they so wish, which falls into three categories: residential use, vacation home and hotel-resort use, consistent with “Declaration Regarding Condominium Use”, as per standard Form BFS-RP-P-71.
4. Hawaii State law and Waikiki Sunset governing documents cannot take away the property owner rights because each association member is property owner under Hawaii law by virtue of its ownership of the condominium and are therefore entitled to constitutional protection, regardless of any “Association members vote” may be taken.

Respectfully submitted,

.....  .....

Guido Panizzon, P.E., M. Eng, BSEE, IEEE.

Association members of Waikiki Sunset Condominium.

Cc: City Council of Honolulu, Hawaii.



**From:** Karen O'Donnell <[ksbodonnell@gmail.com](mailto:ksbodonnell@gmail.com)>

**Sent:** Saturday, September 25, 2021 9:32 PM

**To:** [info@honoluludpp.org](mailto:info@honoluludpp.org)

**Subject:** Short term rental issue

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Should not lock people into a 6 month lease or longer term lease when we first came here we where on a 3 month wait list and took a 3 month lease. Also there are local people that are doing Reno or repairs after storms or roof leak damage and rent short term like 1, 2, 3, or 6 month would be detrimental to the family budget to be paying a lease a mortgage and repairs. I myself have stayed long term in a hotel with kids no fun. I've done rental while waiting for a closing on a home I have also stayed short term as in 2 and a 3 month stay while having repair and Reno done to home over years. I can see limiting all those pop up Airbnb s they are not regulated make for a lot of issues traffic in residential areas and what about those high price land hogging high-rise hotels that are landscape a long Waikiki to the annoyance of most they're big some of them are Gotti they got to get extra brakes on taxes for being there for being built for making corporate millions and draw more people to the island than the island can really hold in one time you're going to find they're going to go out of business be stuck on unfulfilled for occupancy if people can rent all those bedrooms out there unless we're going to be stuck with those monstrosities it's bad enough we have them they might as well be put to use.



Testimony of Sylvia M. Hussey, Ed.D.  
Ka Pouhana, Chief Executive Officer

City and County of Honolulu  
Planning Commission  
Agenda section IV, item 2

Proposed Amendments to Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances  
of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations

September 29, 2021

1:30 p.m.

Mission Memorial Auditorium

The Office of Hawaiian Affairs (OHA) **SUPPORTS** the proposed changes to the City's Land Use Ordinance, which seek to better protect O'ahu's housing stock from the negative impacts of short-term rentals (STRs), through improved enforcement mechanisms and a prohibition on the further conversion of housing units in residential neighborhoods to STRs. By removing much-needed housing stock from the long-term rental markets, STRs may significantly exacerbate our current housing crisis, and may significantly impact housing opportunities for Native Hawaiians and other Hawai'i residents. **OHA therefore appreciates and supports the proposed enforcement mechanisms to address unlawful STRs, as well as the proposed prohibition against new legal STRs within residential zones.**

**As home prices, rental prices, and homelessness continue to increase, as the State anticipates additional population growth and an associated demand for more housing over the next decade,<sup>1</sup> and as we search for ways to address the vulnerabilities exposed and exacerbated by the COVID-19 pandemic, land-use planning that ensures housing affordability and availability is more critical now than ever before.** Even prior to the COVID-19 pandemic, Hawai'i found itself in the midst of an affordable housing crisis. Recent research indicated a need for 50,156 more housing units by 2025, with 52 percent of this demand (and 57 percent of the Native Hawaiian demand) for units at or below 80% of the Area Median Income (AMI);<sup>2</sup> only 28 percent of State's anticipated housing demand (and 26 percent of the Native Hawaiian demand) was for housing units at or above 140% AMI, or for units that do not meet the State's current definition of "affordable housing."<sup>3</sup> **With 42% of households in the State and 40% of the households on O'ahu currently unable to afford basic necessities including housing, food,**

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<sup>1</sup> SMS, HAWAI'I HOUSING PLANNING STUDY 38 (2019) AVAILABLE AT [https://dbedt.hawaii.gov/hhfdc/files/2020/02/State\\_HHPS2019\\_Report-FINAL-Dec.-2019-Rev.-02102020.pdf](https://dbedt.hawaii.gov/hhfdc/files/2020/02/State_HHPS2019_Report-FINAL-Dec.-2019-Rev.-02102020.pdf).

<sup>2</sup> See *id.*

<sup>3</sup> See *id.*

transportation, health care, and child care,<sup>4</sup> our ongoing lack of affordable housing and continuously rising housing costs require bold and aggressive policies and land use enforcement that meaningfully prioritize the housing needs of local residents.

**Native Hawaiians are particularly disadvantaged by land uses that contribute to our local residential housing challenges, including increased rental housing costs and rental housing shortages in particular.** Notably, Native Hawaiians rely substantially on the rental housing market: the Native Hawaiian homeownership rate is lower than the state average. (57.2% compared to the total state rate of 60.2%);<sup>5</sup> for non-DHHL properties, the Native Hawaiian homeownership rate is 14.7 percentage points below the total state rate (45.5% vs. 60.2%).<sup>6</sup> Prior to the COVID-19 pandemic, Native Hawaiian households were also much more likely to be “doubled up,”<sup>7</sup> with multi-generational or unrelated individuals living together in single households, and Native Hawaiian households are twice as likely to have a “hidden homeless” resident than non-Native Hawaiian households.<sup>8</sup>

**Unfortunately, the proliferation of STRs has directly removed much-needed housing units from the residential rental market, and may have exacerbated the rise in rental housing costs beyond what Honolulu residents and Native Hawaiians are able to afford.** The state’s 2019 Hawai‘i Housing Planning Study cited estimates and surveys indicating that there may be up to 60,000 STRs in Hawai‘i, with 37,000 of these units in Honolulu County.<sup>9</sup> The proliferation of such units is not surprising,<sup>10</sup> given their historical ability to generate nearly 3.5 times more income than the average long term residential rental,<sup>11</sup> and with STR rental rate increases outpacing residential rate increases threefold.<sup>12</sup> The loss of long-term residential units to STRs, combined with the pressing demand for residential housing, may also be contributing factors to the continuously increasing residential rental rates seen throughout the islands;<sup>13</sup> notably, Honolulu ranked as the second-highest rent city in the United States as of 2019.<sup>14</sup>

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<sup>4</sup> Aloha United Way, Research Center: Hawai‘i, <https://www.unitedforalice.org/Hawaii> (last accessed Sept. 27, 2021).

<sup>5</sup> U.S. Census Table S0201 Selected Population Profile in the United States, available at <https://data.census.gov/cedsci/table?q=s0201%20hawaii&tid=ACSSPP1Y2019.S0201&hidePreview=false>

<sup>6</sup> DEPT. OF HAWAIIAN HOME LANDS, 2020 ANNUAL REPORT (2021), available at <https://dhhl.hawaii.gov/wp-content/uploads/2021/02/DRAFT-DHHL-2020-Annual-Report.pdf>.

<sup>7</sup> 24.5% of Native Hawaiian households, compared to 9.0% of state households include more than two generations or unrelated individuals. SMS, *supra* note 1, at 73.

<sup>8</sup> 38% of Native Hawaiian households, compared to 19% of non-Native Hawaiian households have a hidden homeless resident. *Id.* at 74.

<sup>9</sup> See *id.*

<sup>10</sup> See *id.* at 66.

<sup>11</sup> *Id.* at 65-66.

<sup>12</sup> *Id.* at 71.

<sup>13</sup> *Id.* (noting the need for “definitive research to establish the link between decreasing residential rental stock due to [STR] conversion and rising residential rents”).

<sup>14</sup> *Id.* at 26.



Notably, OHA understands that Native Hawaiians in particular are less likely to benefit directly from an STR operation; with Native Hawaiian homeownership rates lower than the state average,<sup>15</sup> they are less likely to own second or additional homes that could be rented as vacation units. As previously mentioned, Native Hawaiians also often live in overcrowded households, without the extra rooms needed to operate an owner-occupied vacation rental.<sup>16</sup>

Clearly, allowing the continued unlawful use of housing units for STRs will only exacerbate our housing crisis, and its impacts on Native Hawaiians in particular. As we seek to protect our most vulnerable as part of our post-COVID-19 recovery effort, more meaningful regulatory and enforcement mechanisms will be critical to stopping the negative impacts of STRs on housing opportunities for Native Hawaiians and other local residents. **Accordingly, OHA supports the regulatory and enforcement approaches in the proposed bill, which will further help to curb and reverse the impacts that STRs continue to have on residential housing opportunities in Hawai‘i.**

As a final note, other jurisdictions have found that any economic benefits gained from permitted short-term vacation rental operations are far outweighed by the larger social and economic costs of removing long term rentals from the housing market. For example, an economic analysis by the City of San Francisco found a negative economic impact of \$300,000 for each housing unit used as a vacation rental, exceeding any economic benefits from visitor spending, hotel tax, and associated revenues.<sup>17</sup> Most recently, the Economic Policy Institute has found that, for “internet based service firms” offering transient vacation rental hosting services, “[t]he economic costs [to renters and local jurisdictions] likely outweigh the benefits,” “the potential benefit of increased tourism supporting city economies is much smaller than commonly advertised,” “[p]roperty owner . . . beneficiaries [from hosting services] are disproportionately white and high-wealth households,” and “[c]ity residents likely suffers when [hosting platforms] circumvent[] zoning laws that ban lodging businesses from residential neighborhoods.”<sup>18</sup>

**Accordingly, OHA urges the Commission to SUPPORT the regulatory and enforcement mechanisms contained in the proposed bill.** Mahalo nui for the opportunity to testify on this measure.

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<sup>15</sup> *Supra* notes 5 and 6.

<sup>16</sup> *Supra* note 7.

<sup>17</sup> See CITY OF SAN FRANCISCO, OFFICE OF THE CONTROLLER, AMENDING THE REGULATION OF SHORT-TERM RESIDENTIAL RENTALS: ECONOMIC IMPACT REPORT, May 2015, available at [http://sfcontroller.org/sites/default/files/FileCenter/Documents/6458150295\\_economic\\_impact\\_final.pdf?documentid=6457](http://sfcontroller.org/sites/default/files/FileCenter/Documents/6458150295_economic_impact_final.pdf?documentid=6457)

<sup>18</sup> See the Economic Cost of Air B&B report, January 30, 2019 available at <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>



**From:** Judy Dancer [mailto:AlohaJudy13@gmail.com]  
**Sent:** Monday, September 27, 2021 7:30 PM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

PLEASE do not remove the 30 days rental...I am a senior who lives in my home and rents out a small cottage...to people who come here to work....everyone brings their computer.....I also have families who come here for a wedding and others who come to visit family members, and others funerals..They all stay 30 + days.... These people will never return to Hawaii if forced to stay in a hotel. Mexico and the Caribbean are advertising for the tourist business...The GET and TAT taxes will be gone....no one can stay for 6 month rental. I will have to sell my home and move away. Just enforce the previous bill 89...there are many people who still rent for a day or a week.....they should be shut down...

Mahalo,  
Judy Dancer



**From:** Anders Fridlund [mailto:andy.fridlund@gmail.com]  
**Sent:** Monday, September 27, 2021 7:30 PM  
**To:** Honolulu Planning Commissioners  
**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

I am a host and I urge you to oppose the revised STR bill.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We use our unit for our staycations because it is too expensive to even have a family vacation on the neighbor islands. We rent out to other locals who are coming home from the Mainland to visit family--often for the summer or to take care of parents through a surgery recover period. The other type of guest are those who can take off for a longer period, not a few days or even a couple of weeks. They can't and don't want to live in a hotel for that long. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs.

By changing the dates from 30 days to 180 days, you are taking away income from local families, and unfairly favoring the multinational-owned hotel chains.

Please do not move forward with this revised draft.

Mahalo,  
Anders Fridlund

**From:** Sandra Castell [mailto:sandra.castell@gmail.com]  
**Sent:** Monday, September 27, 2021 11:46 PM  
**To:** info@honoluludpp.org  
**Subject:** Sept 29, 2021 meeting on STR Exemptions; cc: Dean Uchida

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To: [info@honoluludpp.org](mailto:info@honoluludpp.org)  
To: DPP Director Dean Uchida  
Subject: September 29, 2021 Meeting on STR Regarding Exemptions to Ordinance 19-18

I am a resident of 'Ewa Beach.

I DO NOT SUPPORT THE PROPOSED RULE TO GRANT EXEMPTIONS to the 180-day rule for temporary employees at health care facilities, full-time students, full-time remote workers, military personnel and homeowners in transition. Enforcement of this exemption will be very difficult and the burden of proof would incorrectly fall on the short term renter and not the homeowner of the short term rental. We have an ample supply of hotels that can accommodate such persons. Such an exemption defeats the purpose of Ordinance 19-18.

I assert that short-term rentals are disruptive to the character and fabric of our residential neighborhoods; they are inconsistent with the land uses that are intended for our residential zoned areas and increase the price of housing for Oahu's resident population by removing housing stock from the for-sale and long-term rental markets. I agree with the City Council that any economic benefits of opening up our residential areas to anyone other than local residents are far outweighed by the negative impacts to our neighborhoods and local residents.

Yours truly,  
Sandra Castell  
[sandra.castell@gmail.com](mailto:sandra.castell@gmail.com)

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**From:** John Wilson [mailto:johnwilson1525@gmail.com]

**Sent:** Monday, September 27, 2021 7:30 PM

**To:** Honolulu Planning Commissioners

**Subject:** Oppose DPP's revised STR draft

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Honolulu,

I am an owner occupied host who has taken the current STR related Ordinances seriously and have complied fully with the new restrictions, rules and tax laws that generate significant income for our state.

The proposed STR Bill defies logic, reason and common sense. It is clearly designed to carry favor with the international hotel industry at the expense of Oahu residents, our communities and our neighborhoods.

The proposal to revise the current definition of "short-term" as 30 days, and increase the duration by 600% to 180 days, or six months, is arbitrary, irrational, and unprecedented by any measure or standard. Indeed such a move would be clearly discriminatory against Oahu residents and home owners, not to mention that such a move is likely prove unlawful in terms of state, federal, and constitutional law.

I urge you to do the right thing for our Oahu residents and home owners and oppose the STR Bill as currently drafted.

Mahalo,  
John Wilson